EXHIBIT M

TO AFFIDAVIT OF MICHAEL N. EDELMAN IN SUPPORT OF ADVANCEME, INC.'S OPPOSITION TO MOTION FOR LEAVE TO AMEND INVALIDITY CONTENTIONS

CLAIMS

PRIOR PUBLICATION REFERENCES

LITLE & CO.
INVALIDITY CLAIM CHART
UNITED STATES PATENT NO. 6,941,281

Ca	ase 6:06-cv-00082-LED-JDL	Document 51	Filed 09/25/2006	Page
		at a merchant, accepting a customer identifier as payment from the customer,		1. A method for automated payment, comprising:
MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and after the effective date; if shown, and through and including the expiration date embossed thereon." Id.	electronic data representing transactions conducted through the use of CHARGE CARDS, and and WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs representing such transactions to LITLE for processing and to sell to FNBL the SALES RECORDs generated with BANK CARDs and the indebtednesses represented thereby." Member Agreement at LI 00018. "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD ORGANIZATION to the CARDHOLDER and the charge account number designated on the card, either of which MEMBER accepts from customers as payment for their purchases from MEMBER." Id. "BANK CARD STATES AND STATES AND STATES AND STATES AND STATES."	The merchant, either directly or via its agent, <u>accepted credit cards as would accept</u> a customer identifier from customers for <u>e.g.</u> a card, as payment from the customer. See Forbes Article (referring to Exposures' "credit card processor" and "credit card receivables", showing that credit cards were received as payment). Member Agreement, LI 00017-29. "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and	See, e.g., Litle & Co. Member Agreement, LI 00017-29 (hereafter "Member Agreement"); see, e.g., Demand Promissory Note for Postage Advances between Museum Publications of America and Litle & Co., dated September 27, 1993, LI 00033-35 (hereafter "Promissory Note"); see, e.g., February 17, 1994 Letter from Robert George to Michael Duffy, LI 00030-31; see M. Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, p120(2), LI 00001-03 (hereafter "Forbes Article"); See Promissory Note for Postage Advances between Exposures, Inc. and Litle & Co., dated June 22, 1990 ("Promissory Note").	Litle & Co. ("Litle") utilized a method for automated payments to Litle as repayment of obligations owed by merchants arising out of Litle's advance of each oreither for postage

EXHIBIT 6 LITLE & CO. INVALIDITY CLAIM CHART UNITED STATES PATENT NO. 6,941,281 CLAIMS

at the computerized merchant processor,			and electronically forwarding information related to the payment to a computerized merchant processor;	CLAIMS
Litle acted as the computerized merchant processor, see Forbes Article (referring to Litle as	"SALES RECORD means all documents or data presented to LITLE as evidence of a CARD SALE." Id. at L1 00019. "Little & Co. continues to be your credit card processor and will continue to work directly with you to provide a high level of customer and technical service." February 28, 1992 letter from Tim Litle to Robert George, L1 00016.	"c. MEMBER shall complete each SALES RECORD to include a notation in the space provided for the CARDHOLDERS's signature that the sale was initiated by mail order (MO), telephone order (TO) or pre-authorized order (PO) (except for sales made in person, for which the CARDHOLDER's signature shall be obtained)" Id. at L1 00019 (showing that the merchant electronically forwarded information related to the payment to Litle, a	The merchant, either directly or via its agent, electronically forwarded information related to the payment electronically-to Litle, the computerized merchant processor.—See also Forbes Article (referring to Litle as the "credit card processor"). "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and electronic data representing transactions conducted through the use of CHARGE CARDS, and WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs representing such transactions to LITLE for processing and to sell to FNBL the SALES RECORDs generated with BANK CARDs and the indebtednesses represented thereby." Member Agreement at L1 00018 (showing that the merchant electronically forwarded information related to the payment to Litle, a computerized merchant processor). "SALES RECORD means all documents or data presented to LITLE as evidence of a CARD SALE." Id. at L1 00019 (showing that the merchant electronically accepts the customer identifier).	"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id. "T&E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by American Express. Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemed valid on and after the effective date, if shown, and through and including the expiration date embossed thereon." Id. at 1.1 00019.

merchant;

FITTE & CO EXHIBIT 6 UNITED STATES PATENT NO. 6,941,281 INVALIDITY CLAIM CHART

CLAIMS

portion of an obligation made by the computerized payment receiver as payment of at least a and forwarding at least a portion of the payment to a merchant, authorizing and settling the payment,

SPECIFICATION PRIOR PUBLICATION REFERENCES

acquiring the information related to the payment from the the "credit card processor"), and language of the patent makes clear that merchant processors level of customer and technical service." February 28, 1992 letter from Tim Litle to Robert be your credit card processor and will continue to work directly with you to provide a high acquire payment information and authorize and settle the payment. __"Litle & Co. continues to Jeorge, LI 00016. "Litle-agreed to finance [Exposures'] postage by discounting his [Exposures'] credit card

electronic data representing transactions conducted through the use of CHARGE CARDS...." Member Agreement at LI 00018. "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

payment receiver, for financing postage costs, with the remainder, the discounted credit card companies was forwarded as payment on Exposures' obligation to Litle, as a computerized receivables." See Forbes Article (showing that a portion of the payment from credit card

receivables, being forwarded to Exposures).

outstanding. Notwithstanding that such amounts are otherwise payable on demand, subsidiaries will be processed by Litle & Co. while any amount owed under this note is still MEMBER further agrees that all CHARGE CARD transactions from all divisions and Amount of Advance plus accrued interest at 10% ... management fee to Litle & Co., or order Postal Service, [Museum Publications of America] agrees to pay on demand the Principal Postmaster, Atlanta, GA, [Exposures Museum Publications of America] to United States obligation that arose when Litle advance postage costs ("Principal Amount of Advance") to Proceeds") are forwarded to Litle, as a computerized payment receiver, in satisfaction of the NET PROCEEDS.—See Promissory Note (showing that a portion of payments (merchant). 🔆 $\overline{[{
m Exposures}]{
m MEMBER}}$ agrees that \ldots (ii) the Daily Repayments shall be deducted from daily "In consideration of Litle & Co. making advances for the account of [Exposures] to

Promissory Note at L1 00033 (showing that a portion of the card payments were forwarded to from MEMBER to LITUE, Less any PREPAYMENTS hat arose when Litle advanced postage costs ("Principal Amount of Advance") to merchant ttle, as a computerized payment receiver, as payment of at least a portion of an obligation ess RELEASED CHARGEBACKS (if no RESERVE exists), Less any other amounts due NET PROCEEDS is an amount equal to: The GROSS PROCEEDS, Less LITLE FEES

from daily NET PROCEEDS._..."-See

HITLE & CO. INVALIDITY CLAIM CHART UNITED STATES PATENT NO. 6,941,281 CLAIMS

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(showing that Litle I Hanover Finance, as Boston Publishing).	portion of the payment from credit obligation to Litle, as a computeriz remainder, the discounted credit ca "As security for the obligations of agreements, Hanover Finance is be accounts and substantially all of the Publishing, including, without limit respect of Card Sales from Litle & or assignees of Hanover Finance, defion by Boston Publishing, you we reserves, deposits, balances, refunce Publishing under the Member Agree such account or accounts as Hanover Finance, deposits, balances, refunces and account or accounts as Hanover Finance, deposits, balances, refunces and account or accounts as Hanover Finance, deposits, balances, refunces and accounts as Hanover Finance, deposits, balances, refunces and accounts as Hanover Finance, deposits, balances, refunces and accounts are the member Agree such accounts as Hanover Finance, deposits, balances, refunces and accounts are the member Agree such accounts are the member Agree such accounts are the form Robing and accounts are the member Agree such accounts are the member accounts are the member Agree such accounts are the member Agree such accounts are the member accounts ar	Member Agreement at LI 00018. "Little agreed to finance [Exposu
Boston Publishing).	portion of the payment from credit card companies was forwarded as payment on Exposures' obligation to Litle, as a computerized payment receiver, for financing postage costs, with the remainder, the discounted credit card receivables, being forwarded to Exposures'. "As security for the obligations of Boston Publishing (the Borrower) under such financing agreements, Hanover Finance is being granted a security interest in our inventory, certain accounts and substantially all of the tangible and intangible personal property of Boston Publishing, including, without limitation, all rights of the Borrower to receive payments in respect of Card Sales from Litle & Co1. Upon written instruction from Hanover Finance or assignees of Hanover Finance, designated in writing by Hanover Finance, without further action by Boston Publishing, you will make all payments of Net Proceeds or any other credits, reserves, deposits, balances, refunds or other amounts now or hereafter due to Boston Publishing under the Member Agreement in respect of Card Sales directly by wire transfer, to such account or accounts as Hanover Finance may designate in writing (the "Accounts")." February 17, 1994 Letter from Robert George to Michael Duffy at L1 00030-31 (showing that Litle forwarded a portion of the payment to the loan payment receiver, e.g.,	<u>fember Agreement at L1_00018.</u> "Litle agreed to finance [Exposures, Inc.'s ("Exposures")] postage by discounting his

"T&E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by

"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id

identifier.

EXHIBIT 6 INVALIBITY CLAIM CHART UNITED STATES PATENT NO. 6,941,281

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comprises accepting a credit card number as the customerKripalani, T. Pousehine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, The method of claim 1 wherein the accepting step Promissory Note at LI 00033 (showing that a portion of payments ("Net Proceeds") arethe of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs p120(2) (hereafter "Forbes Article") (referring to Exposures' "credit card processor" and The merchant, Exposures, Inc., accepted credit cards from customers for payment. See M. Repayment Schedule at LI 00035 (showing that Litle received and applied the forwarded postage costs ("Principal Amount of Advance") to merchant); see Promissory Note payment is received by Litle as repayment of an obligation that arose when Litle advanced RECORDs generated with BANK WHEREAS. MEMBER desires to honor CHARGE CARDS in connection with the retail sale Member Agreement at LI 00018. from MEMBER to LITLE, Less any PREPAYMENTS." representing such transactions to LITLE for processing and to sell to FNBL the SALES representing transactions conducted through the use of CHARGE CARDS, and ortion of the payment to Museum Publication of America's outstanding obligation to Litle after the effective date, if shown, and through and including the expiration date embossed White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, card, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the CARDs and the indebtednesses represented thereby." 'credit card receivables'', showing that credit cards were received as payment)- "WHEREAS Member Agreement at LI 00018. ITLE and NPC are engaged in the business of processing paper based and electronic data ess RELEASED CHARGEBACKS (if no RESERVE exists), Less any other amounts due "NET PROCEEDS is an amount equal to: The GROSS PROCEEDS, Less LITLE FEES, "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

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The method of claim 1 wherein the accepting step

American Express, Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemed embossed thereon." Id. at LI 00019 valid on and after the effective date, if shown, and through and including the expiration date SPECIFICATION PRIOR PUBLICATION REFERENCES

comprises accepting a debit card number as the customer invention of Plaintiff's asserted claims to apply mechanisms and methods in use for one type of customer identifier to another type of customer identifier, e.g. for debit cards as well as processor" and "credit card receivables"; showing that credit cards were received as for payment. See M. Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8 motivated to make the method or system work in the same way for any customer identifier, credit cards. And the statements by the alleged inventor and by the examiner, and the 1992, v.149, n12, p120(2) (hereafter "Forbes Article") (referring to Exposures' "credit card language of the patent itself makes clear that a person of ordinary skill in the art would be It would have been obvious to a person of ordinary skill in the art at the time of the alleged including debit cards. The merchant, Exposures, Inc., accepted credit cards from customers

electronic data representing transactions conducted through the use of CHARGE CARDS, "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale RECORDs generated with BANK CARDs and the indebtednesses represented thereby." of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs epresenting such transactions to LITLE for processing and to sell to FNBL the SALES Member Agreement at LI 00018

card, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, after the effective date, if shown, and through and including the expiration date embossed "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING "CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id. "T&E CARD

step comprises accepting a smart card number as the UNITED STATES PATENT NO. 6,941,281 PLITTE & CO INVALIDITY CLAIM CHART The method of claim 1 wherein the accepting

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customer identifier.

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of customer identifier to another type of customer identifier, e.g. for smart cards as well as and after the effective date, if shown, and through and including the expiration date embosse is a valid and unexpired Travel and Entertainment CHARGE CARD issued by American p120(2) (hereafter "Forbes Article") (referring to Exposures' "credit card processor" and Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, The merchant, Exposures, Inc., accepted credit cards from customers for payment. See M. method or system work in the same way for any customer identifier, including smart cards credit cards. And the statements by the alleged inventor and by the examiner, and the It would have been obvious to a person of ordinary skill in the art at the time of the alleged Express, Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemed valid on motivated to make the invention of Plaintiff's asserted claims to apply mechanisms and methods in use for one type language of the patent itself makes clear that a person of ordinary skill in the art would be 'eredit card receivables'', showing that credit cards were received as payment) "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and lectronic data representing transactions conducted through the use of CHARGE CARDS,

WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale RECORDs generated with BANK CARDs and the indebtednesses represented thereby." of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs representing such transactions to LITLE for processing and to sell to FNBL the SALES

"CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

Member Agreement at LI 00018.

White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and card, either of which MEMBER accepts from customers as payment for their purchases from after the effective date, if shown, and through and including the expiration date embossed MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue. MEMBER." Id ORGANIZATION to the CARDHOLDER and the charge account number designated on the "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING

customer identifier.

SPECIFICATION PRIOR PUBLICATION REFERENCES

comprises accepting a charge card number as the The method of claim 1 wherein the accepting step credit cards. And the statements by the alleged inventor and by the examiner, and the of customer identifier to another type of customer identifier, e.g. for charge cards as well as invention of Plaintiff's asserted claims to apply mechanisms and methods in use for one typ It would have been obvious to a person of ordinary skill in the art at the time of the alleged payment). "WHEREAS, LITLE and NPC are engaged in the business of processing paper for payment. See M. Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8 including charge-cards. The merchant, Exposures, Inc., accepted credit cards from customers motivated to make the method or system work in the same way for any customer identifier, language of the patent itself makes clear that a person of ordinary skill in the art would be American Express, Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemed processor" and "credit card receivables", showing that credit cards were received as 1992, v.149, n12, p120(2) (hereafter "Forbes Article") (referring to Exposures' "credit card valid on and after the effective date, if shown, and through and including the expiration date based and electronic data representing transactions conducted through the use of CHARGE "CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id &E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by

card, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the Member Agreement at Ll 00018 "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

RECORDs generated with BANK CARDs and the indebtednesses represented thereby."

of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale

representing such transactions to LITLE for processing and to sell to FNBL the SALES

White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, after the effective date, if shown, and through and including the expiration date embossed

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CLAIMS	SPECIFICATION PRIOR PUBLICATION REFERENCES
	"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id. "T&E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by American Express, Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemed valid on and after the effective date, if shown, and through and including the expiration date
6. The method of claim 1 wherein the accepting step	embossed thereon." Id. at LI 00019. On information and belief, customer identifiers were accepted at a the location of a merchant
comprises accepting the customer identifier at a merchant location.	comprises accepting the customer identifier at a merchant or merchant's agent "c. MEMBER shall complete each SALES RECORD to include a location.
	by mail order (MO), telephone order (TO) or pre-authorized order (PO) (except for sales made in person, for which the CARDHOLDER's signature shall be obtained)" Member
7 The method of claim 1 wherein the accepting sten	Agreement at LI 00019. On information and belief customer identifiers were accented electronically— "c. MEMBER
comprises electronically accepting the customer	shall complete each SALES RECORD to include a notation in the space provided for the
IACHULICA.	15
	"WHEREAS, LITLE and NPC are engaged in the business of processing paper based and
	electronic data representing transactions conducted through the use of CHARGE
	CARUS" Member Agreement at L1 00018 (showing that the merchant electronically accepts the customer identifier).
	"SALES RECORD means all documents or data presented to LITLE as evidence of a
	CARD SALE." Id. at LI 00019 (showing that the merchant electronically accepts the customer identifier)
8. The method of claim 1 wherein the steps performed at	
the merchant processor further comprise accumulating	
the payments until a predetermined amount is reached	Advance plus accrued interest at 10% Notwithstanding that such amounts are otherwise
and then forwarding at least a portion of the accumulated	and then forwarding at least a portion of the accumulated payable on demand, [Exposures] agrees that Daily Repayments shall be deducted from learning to the naving that naving the forwarded on a learning to the naving that naving forwarded on a learning to the naving that naving forwarded on a learning to the naving that naving the forwarded on a learning to the naving that naving the naving the naving that naving the naving the naving the naving that naving the naving the naving the naving that naving the
Town and the second sec	periodic basis Litle would accumulate the payments until a predetermined amount was
	reached and then forward at least a portion of the accumulated payments to the payment
	receiver. See, e.g., Promissory Note Repayment Schedule at LI 00035 (outlining specified
	daily and weekly payment amount).+

receivables." See Forbes Article (showing implicitly that means exist in the Little system for

performed at the merchant processor comprise

The method of claim 1 wherein the steps

periodically forwarding at least a portion of the payment <u>payment schedules).</u>

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Jitle would periodically forward at least a portion of the payment to the payment receiver. SPECIFICATION PRIOR PUBLICATION REFERENCES

See, e.g., Promissory Note Repayment Schedule at LI 00035 (outlining daily and weekly

"In consideration of Litle & Co. making advances for the account of

at a merchant, The merchant accepting a customer identifier as payment identifier from the customer and identifier point of the customer and identifier as payment identifier	10. A system for automated payment of an obligation Litle utilimade by a merchant, comprising: Note-and;	to the payment receiver. Exposure United Structure United Structure United Structure Or order. I Or o
The merchant; Exposures, Inc., accepted credit cards from customers for payment and means for accepting a customer identifier as payment existed, including, on information and belief, a merchant terminal or point of sale device. See M. Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, p120(2) (hereafter "Forbes Article") (referring to Exposures' "credit card processor" and "credit card receivables", showing that credit cards were received as payment). "Little agreed to finance [Exposures'] postage by discounting his [Exposures'] credit card	Litle utilizesutilized a system for automated payments to Litle as repayment of obligations owed by merchants either for postage or cash advances. See Member Agreement; Promissory Note-and; February 17, 1994 Letter from Robert George to Michael Duffy; Forbes Article.	United States Postal Service, [Museum Publications of Americal to United States Postal Service, [Museum Publications of America] agrees to pay on demand the Principal Amount of Advance plus accrued interest at 10%.—management fee to Litle & Co., or order. MEMBER further agrees that all CHARGE CARD transactions from all divisions and subsidiaries will be processed by Litle & Co. while any amount owed under this note is still outstanding. Notwithstanding that such amounts are otherwise payable on demand, [Exposures]MEMBER agrees that (ii) the Daily Repayments shall be deducted from daily NET PROCEEDS

third party to reduce the obligation.

merchant processor,

outstanding obligation to a third party;

and at the computerized merchant processor, means for

merchant, means for authorizing and settling the

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information related to the payment to a computerized from the customer and for electronically forwarding means for accepting a customer identifier as payment the merchant to Litle). including, on information and belief, a computer running appropriate software). electronically forwarding a portion of the payment from credit card companies to Little, Postmaster, Atlanta, GA, [Exposures] agrees to pay on demand the Principal Amount of Advance plus accrued interest at 10%...." See Promissory Note (showing obligation from "In consideration of Litle & Co. making advances for the account of [Exposures] to

receiving the information related to the payment from the belief, a computer running appropriate software) magnetic card reader, keyboard input and/or wherein the merchant associated with the payment has an card receivables." See Forbes Article (showing implicitly that means exist in the Litle system Means for accepting a customer identifier as payment existed, including, on information and telephone. directly or via its agent, would accept a customer identifier as payment from the customer. for Litle, as the merchant processor, to receive the payment information The merchant, either "Litle agreed to finance his [Exposures'] postage by discounting his [Exposures'] credit

and means for forwarding a portion of the payment to the information and authorize and settle the payment. On information and belief, the means for performing this function is a computer running appropriate software. The language of the patent makes clear that merchant processors acquire payment

daily NET PROCEEDS." Postmaster, Atlanta, GA, [Exposures] agrees to pay on demand the Principal Amount of payable on demand, [Exposures] agrees that Daily Repayments shall be deducted from Advance plus accrued interest at 10%.....Notwithstanding that such amounts are otherwise "In consideration of Litle & Co. making advances for the account of [Exposures] to

electronic data representing transactions conducted through the use of CHARGE CARDS "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

RECORDs generated with BANK CARDs and the indebtednesses represented thereby." WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs Member Agreement at LI 00018 (showing that the merchant maintained a magnetic card epresenting such transactions to LITLE for processing and to sell to FNBL the SALES

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electronically forwarded information related to the payment to Litle, a computerized RECORD to include a notation in the space provided for the CARDHOLDERS's signature reader and/or keyboard input and/or telephone for accepting a customer identifier and White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and PO) (except for computer running appropriate software). __"c. MEMBER shall complete each SALES sales made in person, for which the CARDHOLDER's signature shall be obtained). Proceeds") to Litle as repayment of obligation that arose when Litle advanced postage costs See Promissory Note (showing that means exist for forwarding a portion of payments ("Ne VIEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, ard, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the ntormation related to the payment to Litle, a computerized merchant processor). nput and/or telephone for accepting a customer identifier and electronically forwarded hat the sale was initiated by mail order (MO), telephone order (TO) or pre-authorized order nerchant processor ther the effective date, if shown, and through and including the expiration date embossed "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING "Principal Amount of Advance") to merchant, including, on information and belief, a CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD 00019 (showing that the merchant maintained a magnetic card reader and/or keyboard

"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id. "T&E CARD

& Co. making advances for the account of [Museum Publications of America] to United ncluding the expiration date embossed thereon." Id. at LI 00019. "In consideration of Litl CARD shall be deemed valid on and after the effective date, if shown, and through and CARD issued by American Express, Carte Blanche, Diner's Club or Discover. A T&E s a valid and unexpired Travel and Entertainment CHARGE tates Postal Service, [Museum Publications of America] agrees to pay on demand the

further agrees that all CHARGE CARD transactions from all divisions and subsidiaries wil Principal Amount of Advance plus management fee to Litle & Co., or order, MEMBER

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third party to reduce the obligation.	settling the payment. settling the payment. and means for forwarding a portion of the payment to the	and at the computerized merchant processor, means for receiving the information related to the			CLAIMS
	reduce the obligation is a modem and computer running appropriate software. "Litle & Co. continues to be your credit card processor and will continue to work directly with you to provide a high level of customer and technical service." February 28, 1992 letter from Tim Litle to Robert George at LI 00016. the "WHFREAS LITLE and NPC are engaged in the business of processing paper based and	party, e.g., Hanover Finance). The language of the patent mak information and authorizes and parforming these functions and		merchant had an outstanding obligation that arose when Little advanced postage costs ("Principal Amount of Advance") to merchant). "As security for the obligations of Boston Publishing (the Borrower) under such financing agreements, Hanover Finance is being granted a security interest in our inventory, certain accounts and substantially all of the tangible and intangible personal property of Boston Publishing, including, without limitation all rights of the Borrower to receive payments in respect of Card Sales from Litle & Co1. Upon written instruction from Hanover Finance or assignees of Hanover Finance, designated	be processed by Litle & Co. while any amount owed under this note is still outstanding. Notwithstanding that such amounts are otherwise payable on demand, MEMBER agrees that. (ii) the Daily Repayments shall be deducted from daily NET PROCEEDS"

the customer identifier.

comprises means for accepting a credit card number as

from customers for payment. See M. Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, p120(2) (hereafter "Forbes Article") (referring to

UNITED STATES PATENT NO. 6,941,281 LITTLE & CO. Ехнивіт-6 INVALIDITY CLAIM CHART

SPECIFICATION PRIOR PUBLICATION REFERENCES

11. The system of claim 10 wherein the accepting			1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1																										CLAIMS
The system of claim 10 wherein the accepting means The merchant, Exposures, Inc., e.g., Museum Publications of America, accepted credit cards	Finance, to reduce the merchant's, e.g., Boston Publishing, obligation).	that Litle could forward a portion of the payment to the loan payment receiver, e.g., Hanover	February 17, 1994 Letter from Robert George to Michael Duffy at LI 00030-31 (showing	such account or accounts as Hanover Finance may designate in writing (the "Accounts")."	Publishing under the Member Agreement in respect of Card Sales directly by wire transfer, to	reserves, deposits, balances, refunds or other amounts now or hereafter due to Boston	action by Boston Publishing, you will make all payments of Net Proceeds or any other credits	or assignees of Hanover Finance, designated in writing by Hanover Finance, without further	respect of Card Sales from Litle & Co 1. Upon written instruction from Hanover Finance	Publishing, including, without limitation, all rights of the Borrower to receive payments in	accounts and substantially all of the tangible and intangible personal property of Boston	agreements, Hanover Finance is being granted a security interest in our inventory, certain	"As security for the obligations of Boston Publishing (the Borrower) under such financing	from MEMBER to LITLE, Less any PREPAYMENTS." Member Agreement at LI 00018.	Less RELEASED CHARGEBACKS (if no RESERVE exists). Less any other amounts due	"NET PROCEEDS is an amount equal to: The GROSS PROCEEDS, Less LITLE FEES,	postage costs ("Principal Amount of Advance") to merchant).	computerized payment receiver, to reduce the obligation that arose when Litle advanced	(C) - I	PROCEEDS "Promissory Note at LI 00033 and Promissory Note Repayment Schedule	outstanding. Notwithstanding that such amounts are otherwise payable on demand.	subsidiaries will be processed by Litle & Co. while any amount owed under this note is still	MEMBER further agrees that all CHARGE CARD transactions from all divisions and	on demand the Principal Amount of Advance plus management fee to Litle & Co., or order.	of Americal to United States Postal Service, [Museum Publications of America] agrees to pay	"In consideration of Litle & Co. making advances for the account of [Museum Publications	Member Agreement at LI 00018	RECORDs generated with BANK CARDs and the indebtednesses represented thereby."	SPECIFICATION PRIOR PUBLICATION REFERENCES

SPECIFICATION PRIOR PUBLICATION REFERENCES

computer, or other point of sale device). magnetic card reader, keyboard input and/or including number as the customer identifier included, on information and belief, a terminal, were received as payment and that means Means for accepting a credit card exist, Exposures` "credit card processor" and "credit card receivables", showing that credit cards

electronic data representing transactions conducted through the use of CHARGE CARDS. "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

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RECORDs generated with BANK CARDs and the indebtednesses represented thereby." WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs representing such transactions to LITLE for processing and to sell to FNBL the SALES

MEMBER." Id card, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

Member Agreement at LI 00018.

after the effective date, if shown, and through and including the expiration date embossed White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING

"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id.

embossed thereon." Id. at LI 00019 valid on and after the effective date, if shown, and through and including the expiration date American Express, Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemen "T&E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by

customer identifier. comprises means for accepting a debit card number as the invention of Plaintiff's asserted claims to apply systems and means in use for one type of The system of claim 10 wherein the accepting means It would have been obvious to a person of ordinary skill in the art at the time of the alleged cards. And the statements by the alleged inventor and by the examiner, and the language of the patent itself makes clear that a person of ordinary skill in the art would be motivated to customer identifier to another type of customer identifier, e.g. for debit cards as well as credi

SPECIFICATION PRIOR PUBLICATION REFERENCES

computer input magnetic card reader, keyboard input and/or telephone. The merchant, make the method or system work in the same way for any customer identifier, including debit (hereafter "Forbes Article") (referring to Exposures' "credit card processor" and "credit card Pouschine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, p120(2) Exposures, Inc., accepted credit cards from customers for payment. See M. Kripalani, T. cards. Debit card numbers may be accepted, for example, using the merchant's terminal or other-point of sale device). accepting a credit card exist, including, on information and belief, a terminal, computer, or receivables", showing that credit cards were received as payment and that means for

electronic data representing transactions conducted through the use of CHARGE CARDS, "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale RECORDs generated with BANK CARDs and the indebtednesses represented thereby." of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs Member Agreement at LI 00018. representing such transactions to LITLE for processing and to sell to FNBL the SALES "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

thereon." Id. and after the effective date, if shown, and through and including the expiration date embossed Blue, White and Gold Bands Design service mark. A BANK CARD shall be deemed valid or ISSUING MEMBER of MCI or VISA which contains the MasterCard service mark or Visa MEMBER." Id. card, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the "BANK CARD means a valid and unexpired CHARGE CARD issued by ar

"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id

mbossed thereon." Id. at LI 00019 valid on and after the effective date, if shown, and through and including the expiration date "T&E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by umerican Express, Carte Blanche, Diner's Club or Discover. A T&E CARD shall be deemed

comprises means for accepting a smart card number as

13. The system of claim 10 wherein the accepting means It would have been obvious to a person of ordinary skill in the art at the time of the alleged invention of Plaintiff's asserted claims to apply systems and means in use for one type of

EXHIBIT 6 Filte & Co UNITED STATES PATENT NO. 6,941,281 INVALIBITY CLAIM CHART

the customer identifier

SPECIFICATION PRIOR PUBLICATION REFERENCES

computer input-magnetic card reader, keyboard input and/or telephone the patent itself makes clear that a person of ordinary skill in the art would be motivated to customer identifier to another type of customer identifier, e.g. for smart cards as well as credi cards. Smart card numbers may be accepted, for example, using the merchant's terminal or make the method or system work in the same way for any customer identifier, including smar cards. And the statements by the alleged inventor and by the examiner, and the language of

electronic data representing transactions conducted through the use of CHARGE CARDS, "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale RECORDs generated with BANK CARDs and the indebtednesses represented thereby." representing such transactions to LITLE for processing and to sell to FNBL the SALES

Member Agreement at LI 00018.

card, either of which MEMBER accepts from customers as payment for their purchases from ORGANIZATION to the CARDHOLDER and the charge account number designated on the "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and after the effective date, if shown, and through and including the expiration date embossed MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING

"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id

p120(2) (hereafter "Forbes-Article") (referring to Exposures' "credit card processor" and Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8, 1992, v.149, n12, other point of sale device)-_ for accepting a credit card exist, including, on information and belief, a terminal, computer, o The merchant, Exposures, Inc., accepted credit cards from customers for payment. See M. CHARGE CARD issued by American Express, Carte Blanche, Diner's Club or Discover. A 'credit card receivables'', showing that credit cards were received as payment and that mean &E CARD shall be deemed valid on and after the effective date, if shown, and through an "T&E CARD is a valid and unexpired Travel and Entertainmen

the customer identifier.

UNITED STATES PATENT NO. 6,941,281

SPECIFICATION PRIOR PUBLICATION REFERENCES

comprises means for accepting a charge card number as invention of Plaintiff's asserted claims to apply systems and means in use for one-type of 14. The system of claim 10 wherein the accepting means|It would have been obvious to a person of ordinary skill in the art at the time of the alleged including charge-cards. Charge card numbers may be accepted, for example, using the motivated to make the method or system work in the same way for any customer identifier, language of the patent itself makes clear that a person of ordinary skill in the art would be credit cards. And the statements by the alleged inventor and by the examiner, and the customer identifier to another type of customer identifier, e.g. for charge cards as well as and that means for accepting a credit card exist, including Means for accepting a charge card merchant's terminal or computer input. The merchant, Exposures, Inc., accepted credit<u>The</u> or other point of sale device)-magnetic card reader, keyboard input and/or telephone. processor" and "credit card receivables"; showing that credit cards were received as paymen 1992, v.149, n12, p120(2) (hereafter "Forbes Article") (referring to Exposures' "credit card payment.—See M. Kripalani, T. Pouschine, "People thought I was nuts", FORBES, June 8, merchant, e.g., Museum Publications of America, accepted charge cards from customers for ncluding the expiration date embossed thereon." Id. at LI 00019 number as the customer identifier included, on information and belief, a terminal, computer "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and

of PRODUCTS to MEMBER's customers, to submit SALES RECORDs and REFUNDs WHEREAS, MEMBER desires to honor CHARGE CARDS in connection with the retail sale RECORDs generated with BANK CARDs and the indebtednesses represented thereby." representing such transactions to LITLE for processing and to sell to FNBL the SALES Member Agreement at LI 00018.

electronic data representing transactions conducted through the use of CHARGE CARDS,

MEMBER." Id ORGANIZATION to the CARDHOLDER and the charge account number designated on the ard, either of which MEMBER accepts from customers as payment for their purchases from "CHARGE CARD is the plastic BANK CARD or T&E CARD issued by a CARD

White and Gold Bands Design service mark. A BANK CARD shall be deemed valid on and MEMBER of MCI or VISA which contains the MasterCard service mark or Visa's Blue, fter the effective date, if shown, and through and including the expiration date embossed "BANK CARD means a valid and unexpired CHARGE CARD issued by an ISSUING accumulating the payments until a predetermined amount Advance plus accrued interest at 10% . . . Notwithstanding that such amounts are otherwise

Postmaster, Atlanta, GA, [Exposures] agrees to pay on demand the Principal Amount of

merchant processor further comprise means for

EXHIBIT 6 LITLE & Co. INVALIDITY CLAIM CHART UNITED STATES PATENT NO. 6,941,281

17. The system of claim 10 wherein the means at the		16. The system of claim 10 wherein the accepting means (comprises means for electronically accepting the customer identifier.	15. The system of claim 10 wherein the accepting means (comprises means for accepting the customer identifier at a merchant location.	CLAIMS
"In consideration of Litle & Co. making advances for the account of [Exposures] to	"c. MEMBER shall complete each SALES RECORD to include a notation in the space provided for the CARDHOLDERS's signature that the sale was initiated by mail order (MO), telephone order (TO) or pre-authorized order (PO) (except for sales made in person, for which the CARDHOLDER's signature shall be obtained)" Member Agreement at L1 00019. "WHEREAS, LITLE and NPC are engaged in the business of processing paper based and electronic data representing transactions conducted through the use of CHARGE CARDS" Member Agreement at L1 00018 (showing that the merchant electronically accepts the customer identifier). "SALES RECORD means all documents or data presented to LITLE as evidence of a CARD SALE." Id. at L1 00019 (showing that the merchant electronically accepts the customer identifier).	16. The system of claim 10 wherein the accepting means On information and belief, means for a merchant's electronically accepting a customer comprises means for electronically accepting the and belief, a terminal, computer or other electronic point of sale device, magnetic card reader, beach and/or telephone	"CARD ORGANIZATION is VISA, MCI or the issuer of a T&E CARD." Id. "T&E CARD is a valid and unexpired Travel and Entertainment CHARGE CARD issued by American Express, Carte Blanche, Diner's Club or Discover, A T&E CARD shall be deemed valid on and after the effective date, if shown, and through and including the expiration date embossed thereon." Id. at LI 00019. 15. The system of claim 10 wherein the accepting means On information and belief, means for accepting the customer identifier at at a location of a merchant or merchant's agent, including, on information and belief, a terminal, computer or other point of nagnetic card reader, keyboard input and/or telephone, "c. MEMBER shall complete each SALES RECORD to include a notation in the space provided for the CARDHOLDER's signature that the sale device-was initiated by mail order (MO), telephone order (TO) or pre-authorized order (PO) (except for sales made in person, for which the CARDHOLDER's signature shall be obtained)" Member Agreement at LI 00019.	SPECIFICATION PRIOR PUBLICATION REFERENCES

EXHIBIT 6
LITLE & CO.
INVALIDITY CLAIM CHART
UNITED STATES PATENT NO. 6,941,281

	Case 6.00-cv-00062-LED-JDL		ument 5 i	Filed 09/25/2000	rage 21 01
19. The system of claim 10 wherein the forwarding	to the third party.	18. The system of claim 10 wherein the forwarding means at the merchant processor comprises means for			CLAIMS is reached and means for forwarding at least a portion of the accumulated payments to the third party.
Litle forwarded an amount that is a percentage of the obligation. Un information and belief,	to the third party. "In consideration of Litle & Co. making advances for the account of [Exposures] to Postanaster, Atlanta, GA, [Exposures] Museum Publications of America] to United States Postanaster, Atlanta, GA, [Exposures] Museum Publications of America] to United States Postal Service, [Museum Publications of America] agrees to pay on demand the Principal Amount of Advance plus accrued interest at 10% management fee to Litle & Co., or order. MEMBER further agrees that all CHARGE CARD transactions from all divisions and subsidiaries will be processed by Litle & Co. while any amount owed under this note is still outstanding. Notwithstanding that such amounts are otherwise payable on demand, [Exposures] MEMBER agrees that (ii) the Daily Repayments shall be deducted from daily forwarding payments exist in the Litle system, including, on information and belief, a emputer running appropriate software Promissory Note at L1 00033 (showing that payments were periodically forwarded).	Litle would periodically forward at least a portion of the payment. See Promissory Note Repayment Schedule at LI 00035 (outlining daily and weekly payment schedules). On information and ballaf the means for performing this function was a modern and computer	and weekly payment amount). On information and belief, the means for accumulating the payments until a predetermined amount was reached and means for forwarding at least a portion of the accumulated payments was a modern and computer running appropriate software.	of the action, Defendant takes no position as to the appropriateness of the claim construction applied in AdvanceMe's Preliminary Infringement Contentions for Defendants ("Infringement Contentions") but note that under the approach in the Infringement Contentions, which equates periodic forwarding with accumulation to a pre-determined amount, the Litle system anticipates this claim, would accumulate the payments until a predetermined amount was reached and then forward at least a portion of the accumulated payments. See Promissory Note Repayment Schedule at L1 00035 (outlining specified daily	SPECIFICATION PRIOR PUBLICATION REFERENCES is reached and means for forwarding at least a portion of payable on demand, [Exposures] agrees that Daily Repayments shall be deducted from daily NET PROCEEDS: See Promissory Note (showing that means for periodically forwarding payments exist in the Litle system, including, on information and belief, a

Exhibit 6
LITLE & Co.
INVALIDITY CLAIM CHART
UNITED STATES PATENT NO. 6,941,281

CLAIMS

means at the merchant processor comprises means for forwarding to the third party an amount that is a percentage of the obligation.

SPECIFICATION PRIOR PUBLICATION REFERENCES

appropriate software), at LI 00033 (showing that payments forwarded were in an amount tha obligation exist in the Litle system, including, on information and belief, a computer running Postmaster, Atlanta, GA, [Exposures Museum Publications of America] to United States the means for performing this function was a computer running appropriate software. collectively constituted a percentage of the merchant's total obligation) was a percentage of the obligation); see also Promissory Note Repayment Schedule at Promissory Note (showing that means for forwarding an amount that is a percentage of the NET PROCEEDS.____ Exposures MEMBER agrees that . . . (ii) the Daily Repayments shall be deducted from daily outstanding. Notwithstanding that such amounts are otherwise payable on demand, subsidiaries will be processed by Litle & Co. while any amount owed under this note is still Amount of Advance plus accrued interest at 10% ... management fee to Litle & Co., or order Postal Service, [Museum Publications of America] agrees to pay on demand the Principal MEMBER further agrees that all CHARGE CARD transactions from all divisions and "In consideration of Litle & Co. making advances for the account of [Exposures] to 00035 (outlining daily and weekly payment amount, all of which individually and ." See

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EXHIBIT N

TO AFFIDAVIT OF MICHAEL N. EDELMAN IN SUPPORT OF ADVANCEME, INC.'S OPPOSITION TO MOTION FOR LEAVE TO AMEND INVALIDITY CONTENTIONS

Paul Hastings ATTORNEYS

Paul, Hastings, Janofsky & Walker LLP Five Palo Alto Square - Sixth Floor - Palo Alto, CA 94306-2155 telephone 650 320 1800 - tacsimile 650 320 1900 - www.paulinastings.com

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September 1, 2006

Via E-Mail

Hilary Preston, Esq. Vinson & Elkins LLP 666 Fifth Avenue, 26th Floor New York, New York 10103

Re: AdvanceMe, Inc. v. RapidPay LLC, et al. (No. 6:05-cv-00424) (E.D. Tex.); AdvanceMe, Inc. v. AmeriMerchant, LLC (No. 6:06-CV-82)(E.D. Tex.). Defendants' Amended and Second Amended Invalidity Contentions

Dear Hilary:

I write to inform you that Defendants in the above-referenced matters have violated the Patent Rules of the Eastern District of Texas by purporting to amend their Preliminary Invalidity Contentions without an order of the Court.

P.R. 3-7 provides:

Amendment or modification of the....Preliminary or Final Invalidity Contentions, other than as expressly provided in P.R. 3-6, may be made only by order of the Court, which shall be entered only upon a showing of good cause.

In the RapidPay matter, Defendants have twice purported to amend their Preliminary Invalidity Contentions without an order of the Court. On July 21, 2006, Defendants attempted to amend their Preliminary Invalidity Contentions by adding a number of alleged prior publication references to their Preliminary Infringement Contentions: (1) a credit card processing agreement among Electronic Data Systems Corporation, Reno Air, and First USA Merchant Services, (2) an article from Forbes magazine, and (3) a Promissory Note between Litle & Co. and Exposures, Inc.. On August 30, 2006, the RapidPay Defendants purported to amend their Preliminary Invalidity Contentions to include additional prior publication references with respect to Litle & Co., including (1) a Litle & Co. Member Agreement, (2) a Demand Promissory Note for Postage Advances between Museum Publications of America and Litle & Co., (3) a February 17, 1994 Letter from Robert George to Michael Duffy. Since amendment of Defendants' Preliminary Invalidity Contentions can be made only by order of the Court, and since there is no order of the Court granting Defendants permission to amend their Preliminary Invalidity Contentions, these purported Amended and Second Amended Invalidity Contentions are of no legal effect.

Hilary Preston, Esq. September 1, 2006 Page 2

In the AmeriMerchant matter, on August 30, 2006, Defendant purported to amend its Preliminary Invalidity Contentions to include prior publication references with respect to Litle & Co., including (1) a Litle & Co. Member Agreement, (2) a Demand Promissory Note for Postage Advances between Museum Publications of America and Litle & Co., (3) a February 17, 1994 Letter from Robert George to Michael Duffy. Again, since amendment of Defendant's Preliminary Invalidity Contentions can be made only by order of the Court, and since there is no order of the Court granting Defendant permission to amend its Preliminary Invalidity Contentions, its Amended Preliminary Invalidity Contentions are of no legal effect.

In light of the foregoing, please be advised that AdvanceMe will only be considering those contentions set forth in Merchant Money Tree, Inc., First Funds LLC, and Reach Financial, LLC's Preliminary Invalidity Contentions, dated July 7, 2006, and AmeriMerchant, LLC's Preliminary Invalidity Contentions, dated July 20, 2006.

Sincerely

for PAUL, HASTINGS, JANOFSKY & WALKER LLP

LEGAL_US_W # 54328782.1

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EXHIBIT 0

TO AFFIDAVIT OF MICHAEL N. EDELMAN IN SUPPORT OF ADVANCEME, INC.'S OPPOSITION TO MOTION FOR LEAVE TO AMEND INVALIDITY CONTENTIONS

Vinson&Elkins

Facsimile

Joseph Gray jgray@velaw.com Tel 512.542.8420 Fax 512.236.3224

Date:	Client/Matter No.
September 18, 2006	AME829/10000
Number of Pages	Hard Copy Follows
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	September 18, 2006 Number of Pages 2 (including cover

AdvanceMe, Inc. v. AmeriMerchant LLC (No. 6:06-cv-82) (E.D. Tex.).

To:	Fax:	Phone:
Michael Edelman	650.320.1900	
Message:		

Please see the attached.

Confidentiality Notice: The information contained in this FAX may be confidential and/or privileged. This FAX is intended to be reviewed initially by only the individual named above. If the reader of this TRANSMITTAL PAGE is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this FAX or the information contained herein is prohibited. If you have received this FAX in error, please immediately notify the sender by telephone and return this FAX to the sender at the below address. Thank you.

Vinson & Eikins LLP Attorneys at Law Austin Beijing Dallas Dubal Houston London Moscow New York Shanghai Tokyo Washington 2801 Via Fortuna, Suite 100 Austin, TX 78746-7568 Tel 512.542.8400 Fax 512.542.8612 www.velaw.com

Vinson&Elkins

Joseph D. Gray jgray@velaw.com Tel 512.542.8420 Fax 512.236.3224

September 18, 2006

VIA FACSIMILE & U.S. MAIL

Michael Edelman Paul, Hastings, Janofsky & Walker LLP Five Palo Alto Square, Sixth Floor Palo Alto, CA 94306-2155

Re: AdvanceMe, Inc. v. Rapidpay LLC, et al. (No. 6:05-cv-00424) (E.D. Tex.); AdvanceMe, Inc. v. AmeriMerchant LLC (No. 6:06-cv-082) (E.D. Tex.)

Dear Michael:

We write to inform you that, after reviewing the transcript of Tim Litle's deposition, defendants AmeriMerchant, First Funds, Reach Financial and Merchant Money Tree have determined that they will seek leave to amend their invalidity contentions to include previously unknown facts that were revealed by Tim Litle's testimony. Specifically, the defendants will seek leave to amend the portion of their invalidity contentions relating to the Litle & Company prior art.

Please let me know at your earliest convenience whether AdvanceMe will oppose the defendants' motion for leave to amend their invalidity contentions to include the previously unknown facts revealed by Tim Litle's testimony.

Sincerely,

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Vinson & Elkins LLP Attorneys at Law Austin Beijing Dallas Dubai Houston London Moscow New York Shanghai Tokyo Washington 2801 Via Fortuna, Suite 100 Austin, TX 78746-7568 Tel 512,542,8400 Fax 512,542,8612 www.velaw.com